

Payments Made by Eastern Washington University - Tax reporting:

Eastern Washington University makes payments to employees, students, faculty, and unaffiliated persons or organization, the tax reporting for these payments may require information to be gathered from the recipients to aid in the preparation of tax forms. This information is provided for informational purposes only, Eastern Washington University encourages those with questions regarding the taxability and reporting of payments received to contact their tax accountant/advisor.

The most frequent instances of payments to individuals made by the university and their tax treatment are as follows:

- Wages paid to employees are processed through payroll and will be reported on the recipient's form W-2.
- Payments made for services provided or to contractors may be reportable under 1099-NEC or 1099-MISC.
- Scholarships and fellowships are generally not taxable to the recipient unless they are used to pay for incidental expenses such as room and board, travel, or optional equipment or are received as a payment for services provided (ex. Teaching or research) as a condition for receiving the scholarship or fellowship. Fellowships awarded to non-degree candidates may be taxable to the recipients. Fellowships that are deemed to be wages are subject to employment taxes, such as FICA.
 - Nonresident aliens may be subject to withholding on fellowship income at a rate of 30%, unless a treaty modifies the withholding required, typically to 14%.
- Stipends are generally not considered wages or non-employee compensation when paid to support a training or learning experience and are handled in the same manner as fellowships.
- Payments for prizes or awards
 - Prizes that are considered a scholarship or fellowship are generally not taxable to the recipient, however, payments to nonresident aliens may be taxable and require withholding. Typically, payments to nonresidents require withholding at 30%, however, students on an F, J, M, or Q visa may be eligible for a reduced withholding rate of 14%.
 - Prizes that are not considered scholarship or fellowship may be taxable to the recipient. When paid to a nonresident alien, withholding at 30% is required. When paid to others, if the payment is \$600 or greater (in the aggregate for the tax year), the recipient will also be issued a form 1099.

In order to satisfy the tax reporting requirements information may be required from the recipients in order to complete the filings.

- Employees must submit a form W-4 with their employment documents.
- Nonresident aliens wishing to claim exemption due to tax treaty with their nation of residence must submit form 8233. Students that received both compensation income and scholarship income should use form 8233 to claim exemption due to tax treaty.
- Vendors and all others must submit form W-9
- Prize or Award winners may be required to complete a Gift Card/Prize Winner Form

For additional resources on withholding

- Publications:
 - Tax Benefits for Education - [2021 Publication 970 \(irs.gov\)](#)
 - Withholding of Tax on Nonresident Aliens and Foreign Entities - [2022 Publication 515 \(irs.gov\)](#)
 - U.S. Tax Guide for Aliens - [2021 Publication 519 \(irs.gov\)](#)
 - Tax Guide for U.S. Citizens and Resident Aliens Abroad - [2021 Publication 54 \(irs.gov\)](#)
- Forms
 - Employee Withholding Certificate - [2022 Form W-4 \(irs.gov\)](#)
 - Request for Taxpayer Identification Number and Certification - [Form W-9 \(Rev. October 2018\) \(irs.gov\)](#)
 - Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual - [Form 8233 \(Rev. September 2018\) \(irs.gov\)](#)